

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1342

Introduced by Assembly Member Evans

February 27, 2009

An act to add Chapter 3.8 (commencing with Section 7295) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1342, as amended, Evans. Local taxation: income taxes: vehicle license fees.

Existing law authorizes various local governmental entities to impose local taxes for various purposes.

This bill would authorize the board of supervisors of any county, by ordinance, to ~~impose~~ *propose to the voters* either a *local* personal income tax or a *local* vehicle license fee, or both, in accordance with specified requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) Proposition 13 has reduced local property taxes by
- 3 approximately 50 percent.
- 4 (b) In response to the enactment of Proposition 13, the state has
- 5 provided local governmental agencies with increased amounts of
- 6 state funds in order to maintain police, school, and other local
- 7 services.

(c) Proposition 13 has resulted in increased state control and decreased local control with respect to the provision local governmental services.

(d) The state is experiencing great difficulty in providing state funds to maintain local governmental services at historical levels.

(e) It is appropriate and necessary to shift some authority, control, and responsibility back to local governmental agencies in order to allow those agencies to determine the level of services appropriate for their citizens.

SEC. 2. Chapter 3.8 (commencing with Section 7295) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.8. COUNTY INCOME TAXES AND VEHICLE LICENSE
FEES

~~7295. (a) In addition to any other tax authority provided by law, the board of supervisors of any county may, by ordinance, impose either or both of the following in accordance with all jurisdictional and other requirements, including all applicable voter approval requirements, imposed by law:~~

~~(1) A personal income tax, as follows:~~

~~(A) The tax is imposed on taxable income in a manner similar to the tax imposed by the Personal Income Tax Law.~~

~~(B) The tax shall be administered by the Franchise Tax Board.~~

~~(C) The Franchise Tax Board shall transmit all revenues, less its costs of administration and any refunds, to the county in which the tax is imposed.~~

~~(2) A license fee for the privilege of operating upon the public highways in this state any vehicle of a type which is subject to registration under the Vehicle Code, as follows:~~

~~(A) The annual amount of the license fee for any vehicle shall not exceed 2 percent of the market value of that vehicle, and shall be imposed in a manner similar to the fee imposed by the Vehicle License Fee Law.~~

~~(B) The tax shall be administered by the Department of Motor Vehicles.~~

7295. Notwithstanding Section 17041.5, in addition to any other tax authority provided by law, the board of supervisors of any county or city and county may, by ordinance, place on the

1 *ballot either or both of the following for consideration by the voters*
2 *in accordance with all constitutional and statutory requirements:*

3 *(a) A local personal income tax subject to the following*
4 *conditions:*

5 *(1) The local personal income tax shall be calculated as a*
6 *percentage of state personal income taxes paid by a resident of*
7 *the county in which the local personal income tax is imposed*
8 *during the corresponding year, excluding any refundable portions*
9 *of refundable credits.*

10 *(2) The local personal income tax shall be assessed and*
11 *collected by the Franchise Tax Board.*

12 *(3) The Franchise Tax Board shall transmit all revenues, less*
13 *its cost of administration, to the county or city and county in which*
14 *the local personal income tax is imposed.*

15 *(b) A local license fee on any vehicle, registered within the*
16 *county or city and county in which the local license fee is imposed,*
17 *that is subject to registration under the Vehicle Code and on which*
18 *a vehicle license fee is imposed pursuant to Part 5 (commencing*
19 *with Section 10701), subject to the following conditions:*

20 *(1) The aggregate license fee rate imposed pursuant to this*
21 *section and Part 5 (commencing with Section 10701) on any vehicle*
22 *shall not exceed 2 percent of the market value of that vehicle.*

23 *(2) The local license fee shall be assessed and collected in the*
24 *same manner as the fee imposed by Part 5 (commencing with*
25 *Section 10701).*

26 *(3) The local license fee shall be administered by the Department*
27 *of Motor Vehicles.*

28 ~~(C)~~

29 *(4) The Department of Motor Vehicles shall transmit all*
30 *revenues, less its costs of administration and any refunds, to the*
31 *county in which the fee is imposed.*